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The New Tax Rate.

Under the terms of the new District

appropriation bill, containing a pro-

vision that is designed to put the Dis-

trict on a "cash-payment basis" by the

1st of July, 1927, the Commis-

sioners are required to change the

mode of taxation. They must increase

the assessment of realty from two-

thirds of the real value to full valua-

tion. They must then change the rate

of taxation to yield, during the five suc-

ceeding fiscal years, a sufficient sum,

in addition to meeting the current ap-

propriations, to enable the District five

years hence to meet requisitions under

appropriation acts with cash, instead

of relying upon the federal govern-

ment for cash advances until its tax

revenues are available.

In determining the rate that, ap-

plied to a full-valuation assessment,

will yield such a sum, it is necessary

for the Commissioners to take several

factors into account. In the first

place, by reason of a change in the

law effected by the appropriation act,

they can count upon the payment of

approximately half of the year's taxes

by the 1st of December. Thus within

five months of the beginning of the

new fiscal year there will be in hand

a sum sufficient to meet the District's

share of the appropriations for six

months of the year. If the District is

adjudged by the joint select commit-

tee, just organized, and by Congress

upon the presentation of its report in

February next, to be entitled to all or

a part of the surplus of about \$5,000-

600 of unappropriated District tax

revenues now lying in the Treasury,

that sum will be available as a cash

asset, to serve as part of the cash-

basis surplus. But the new rate must

be determined in advance of any pos-

sible report from this committee and

action upon it, to permit the levying

of the semi-annual tax due in the

month of November. Inasmuch as the

amount that will be adjudged thus

available as part of a cash-basis sur-

plus is indeterminate at present, the

Commissioners cannot take it into ac-

count now in fixing the rate for this

year.

Their problem is to ascertain the

rate at which full-valued District

realty and tangible personalty will

yield enough to supply this year's

needs, plus five-twelfths of an extra

year's needs divided into five annual

installments. That would seem to en-

tail roughly an increase in the yield

by one-twelfth for each of the succeed-

ing five years. But there are certain

factors that complicate the problem.

For instance, the advance of realty

valuation to 100 per cent from 66 2-3,

while tangible personalty remains as

heretofore at 100, means that with a

reduced tax rate tangible personalty

will yield less in taxes than before,

and reality must make good the dif-

ference. Moreover, there is no assur-

ance that certain special taxes, such

as upon the revenues of the public

utility corporations, are by law col-

lectible on the half-yearly basis.

Again, with no provision in the new

law for appeals from personal tax as-

sessments, ground may be laid for

controversy over the payment of half

of the tax without recourse to possible

revision of the assessment.

It is reasonably assured that the

District appropriations will increase

during the next five fiscal years, so

that it is impossible to estimate with

accuracy the sum that by July 1, 1927,

it will be necessary to have in hand

as a cash-basis surplus sufficient to

meet the Treasury requisitions from the

beginning of the fiscal year with 60

cents of District money on each dollar

of expenditure. The Commissioners,

however, are not at present required,

nor can they reasonably be expected,

to take this prospective increase into

account. They should, and doubtless

will, accept the present District budget

law as the basis for their calculations,

figure upon getting half the taxes in

November and then compute the rate

which will yield enough over current

requisitions to give them by the end

of the fifth fiscal year in succession

sufficient to meet the requisitions until

the half-yearly taxes are paid in No-

vember. Any other calculation would

be in excess of the requirements of

the law.

Strike threats make July 1 even

more prominent in the American cal-

endar than July 4.

Liability for Disaster.

The proposition that has been ad-

vanced in Congress to pass a bill ap-

propriating the sum of \$2,000,000 for

the relief of sufferers from the Knick-

erbocker Theater disaster raises an

interesting question of responsibility.

It is urged by the proponent of the

measure that the burden of blame

rests upon the government and the

District for failure to conduct proper

inspection of the building during its

construction. Apart from any other

consideration, it may be suggested

that it would be altogether unfair to

put upon the District any part of the

financial liability, even though it be

maintained that lack of adequate in-

spection caused or permitted the col-

lapse of the building. For the District

has at no time been responsible for

the aim of the inspection force or for

the rate of pay for that force. Con-

gress has determined the number of

inspectors in the allocation of funds

for the annual maintenance of the

District government, and also has

fixed the scale of pay. Had the mat-

ter been left to District initiative there

would undoubtedly have been a larger

and better paid force, insuring more

adequate inspection.

If the judgment of Congress

there is a liability for the deaths, and

the injuries inflicted in the collapse of

the building, that liability should rest

upon the United States alone. In this

matter the inspection force of the Dis-

trict government is the agent of the

government. The District of Colum-

bia has no part in its organization,

save in the selection of the individuals,

and in that selection it is hampered

by the scale of pay adopted in the ap-

propriation bill.

But would it not be unwise, save as

an act of charity—in which case the

federal money alone should be used—

to provide a fund for the relief

of those who suffered from the dis-

aster, however urgently the survivors

and the families of the dead may need

assistance? The building was a pri-

vate one, not like the old Ford

Theater on 10th street, the collapse of

which caused the death of about a

score and the injury of many others.

In that case there was a direct liability

on the part of the government for the

failure of its own property and the re-

sult of its direct agents in the re-

modeling of the building while occu-

pied for public service. If financial

responsibility for deaths or injuries

that are caused by the collapse of pri-

vately owned buildings is to be im-

posed on the government or the Dis-

trict, the ground that inspection

was faulty, a wide range of liability

is opened.

President Harding's Warning.

President Harding's address yester-

day to the mine owners and repre-

sentatives of the miners was at once

an appeal and a warning. He had

chosen his words carefully to avoid all

appearance of partisanship or any

suggestion of coercion, but through-

out his discourse there ran a steel

thread of resolution and firm intent to

use, if need be, the full powers of

government to protect all the people

against the disaster threatened them

because of the selfishness of a few.

It was plain speaking, both to

miners and mine owners, and he made

it clear that he held neither of them

to be blameless for the situation in

which the country finds itself. Be-

cause they are engaged in an industry

which is essential to the life of the

people, he insisted that neither side is

free to stand up for individual rights

if by doing so they deprive the nation

of the fuel without which it cannot

exist. He must be yielding on both

sides. He hoped they would find a

way in common council for a com-

position of their differences. If they

could not, the government was ready

to take a hand. The government

would act first as a mediator. "Failing

in that," the President said, "the

servants of the American people will

be called to the task in the name of

American safety and for the greatest

good of all the people."

If the mine owners and miners are

so blinded to their own best interests

that they will not heed this grave and

proper warning, and the government

is called upon to act "in the name of

American safety," an overwhelming

majority of the American people will

support the government to whatever

end it may be necessary to go. And

if it has not now the power to go to

that necessary end the power will be

given it.

Notable as was the President's ad-

dress for the clarity with which it

stressed the fact that the well-being

of all the people must first be served,

it was equally notable for the con-

structive program he outlined. He

found that the basic fault with the

mining industry was that it was over-

capitalized, overdeveloped and over-

manned, with the result that miners

cannot have full-time work and, there-

fore, cannot live without a wage

which is excessive compared with the

value of their production. He pro-

posed that a commission be appointed

to survey the industry, with view

to remedying this fundamental fault,

and that in the meantime the produc-

tion of coal be resumed.

That is a proposal so obviously sen-

sible and so eminently fair that its re-

jection by either the miners or the

mine owners would leave them in a

position so untenable that public opin-

ion would support whatever

measures might be found necessary

to assure that coal will be produced.

The average citizen fails to see why

the general public should suffer be-

cause the coal operators cannot get

along amicably with their help.

There is no use trying to laugh the

flapper out of existence. Her summer

costume is apparently so comfortable

that she claims the last laugh.

German monarchists are inconsider-

ate in refusing Wilhelm the privilege

of saying nothing and sawing wood.

Ireland absolutely refuses England

the privilege of regarding her as a

quiet neighbor.

The Government as Tenant.

Friday at midnight the lease under

which the government occupies a

building in this city for one of its

executive departments expired. A

new lease has not been written for the

reason that a dispute has arisen be-

tween the government and the owners

of the property on the score of the

rent to be paid. Congress has appro-

priated \$75,000 for the coming year's

rent, and the owners ask approxi-

mately \$200,000.

This case cannot be taken before the

rent commission for settlement.

There is no body or board or court to

settle it. The government remains as

tenant and tenders the amount ap-

propriated. The owners can take it or

leave it. There is no process by which

an ouster can be effected, as in the

case of an obdurate private tenant.

Yet it may be that in terms of realty

values and reasonable yields the

amount nearly reasonable, that the

amount is appropriated. Certainly the

difference of \$125,000 on the basis of

\$75,000 rental paid is wide enough to